

# Budget Transition



*Independent Budget Analyst..... assists the City Council...in making budgetary decisions.*

On January 1, 2006, the **Office of Independent Budget Analyst** was also established. Among other duties, this Department assists the City Council in the conduct of budgetary inquiries and analysis and

advises the City Council regarding all legislative items bearing a financial impact on the City of San Diego.

On January 1, 2006, the City of San Diego changed from a City Manager to **Strong Mayor** structure form of government. The change, approved by City voters in November 2004, will exist on a five-year trial basis, after which voters will decide whether or not to make the change permanent.

*Mayor is the City's Chief Executive Officer*

Under the new system, the Mayor is the City's Chief Executive Officer, similar to the Governor or the President.

The City Council is the legislative branch, providing checks and balances to the Mayor's new authority.

**The City Council Transition Committee**, established by the City Council on April 18, 2005, was comprised of all City Councilmembers, excluding the Mayor. This committee met frequently to develop recommendations regarding how the new role of the City Council will be implemented within the parameters of the measure approved by the voters. **The Citizens' Advisory Committee (CAC)**, created by the City Council on March 1, 2005, included 11 members. The purpose of this committee was to provide input and assistance to the City Council throughout the transition process.

Both committees accomplished their respective mission and have since been disbanded.

Under the Strong Mayor form of government, the Mayor is responsible for the preparation of the **Proposed Budget**, a function previously overseen by the City Manager. As required by the City Charter,

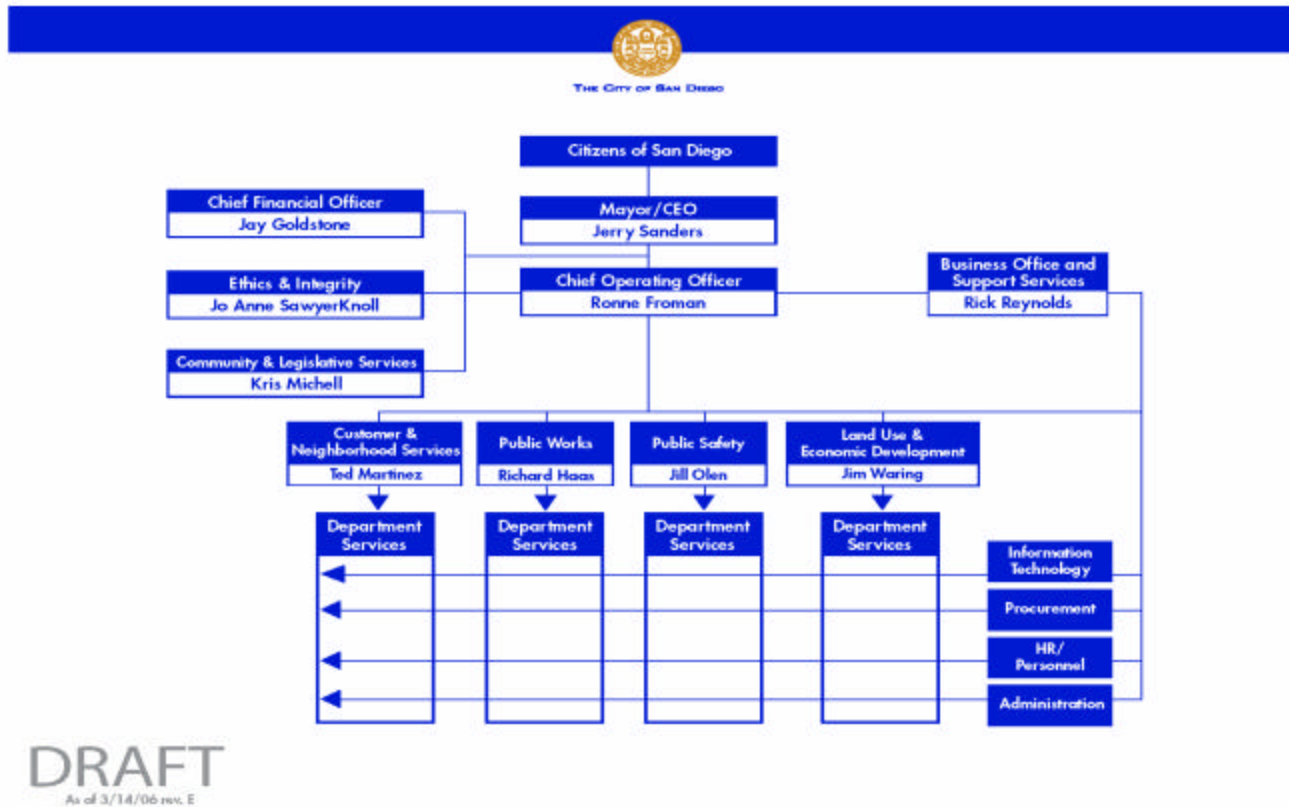
*Mayor..... responsible for preparation of the proposed budget*

the Mayor must deliver the proposed budget to the City Council and make it available for public review **no later than April 15, 2006.** The City Council reviews the Mayor's proposed budget before exercising their authority in adopting the budget. The final budget document is prepared after adoption of the Annual Appropriation Ordinance.

During the fiscal year, City staff will monitor expenditures and revenue receipts on a Citywide basis, oversee budget transfers and adjustments, and will prepare/review requests for Mayor and City Council actions. Financial reports are prepared for General Fund and Non-General Fund departments throughout the year to ensure budgeted expenditures do not exceed appropriations and these findings are reported to the Council throughout the year as well in the Mayor's Mid-Year Report. As a result of expenditure and revenue analysis, the Mayor recommends waiving the Library Ordinance, and the Environmental Growth Fund Ordinance and restoring the Mission Bay Ordinance, to be used for deferred maintenance.

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The following organizational chart reflects the **Mayor's realignment** of City functions and management processes for increased efficiency in Fiscal Year 2007:



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*Chief  
Financial  
Officer over  
all financial  
activities*

Under the City's new structure, the position of **Chief Operating Officer** reports directly to the Mayor, oversees the City's daily operations, and implements the Mayor's initiatives and objectives.

As part of the Mayor's initiatives, **The Office of Ethics and Integrity (OEI)** has been established to promote a strong ethical work environment for City employees. Additionally several of the governmental relations and communications functions have been consolidated under the **Office of Community and Legislative Services**.

The City's new structure establishes a **Chief Financial Officer** to oversee all financial activities. This includes Budget and Management Services Division, which provides research and analytical support for the preparation of the Mayor's budget; Financing Services, which provides professional support to City Management for making fiscal and organizational decisions necessary to plan

and implement the optimum use of City resources; City Treasurer, which provides responsible management of the public's money; and City Auditor & Comptroller, which provides accounting and auditing services.

The City's financial controls previously consisted of the following three departments: City Auditor and Comptroller, City Treasurer, and Financial Management. The many functions that existed within these three departments are now being realigned under one department, the **Department of Finance**.

The new structure also establishes the **Office of Business and Support Services** to oversee the broader support and administrative functions of the City, such as: Human Resources/Personnel, the Office of Administration, which includes management of City grants, Information Technology, and Purchasing and Contracting, which includes service agreements and managed competition proposals.

**Public Works, Public Safety, Customer and Neighborhood Services, and Land Use and Economic Development** are the four main operational areas of the City's new structure. The Mayor consolidated a number of City departments and operational activities under these four areas.

Lastly, as part of the effort for greater transparency in budgeting, several non-general fund departments and programs were assessed and moved into the General Fund due to their primary source of revenue being General Fund monies. It was determined that it was more appropriate to house **Street Division, Centre City Maintenance Coordination** and the **Diversity Program** in the General Fund.

Although many changes are reflected in the Fiscal Year 2007 Proposed Budget, the Mayor will continue to explore better ways to conduct City business and identify efficiencies to

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provide the optimum level of service as the general populace has come to expect.

The following **operational changes** made after adoption of the Fiscal Year 2006 budget are reflected in the Fiscal Year 2007 Proposed Budget:

- **City Manager** was changed to Chief Operations Officer
- **Human Resources** was moved out of Risk Management to the Human Resources/Personnel Department
- **Risk Management Department** functions have been divided between the Human Resources/Personnel Department and the Department of Finance
- **Construction and Architectural and Engineering Contracts** were moved out of Engineering and Capital Projects Department to be under the Purchasing and Contracting Department
- **Public and Media Affairs Department** was eliminated and its functions assumed under Community and Legislative Services
- **Special Projects** was eliminated
- **Information Technology budgets** for the Mayor and City Council were moved from Citywide Program Expenditures applied directly to the Mayor and City Council budgets
- **Certain non-general fund departments have been moved to the General Fund** if deemed appropriate due to the requirement of significant General Fund support (for example, Street Division, Centre City Maintenance, and the Diversity Program)
- **Office of Independent Budget Analyst** was added to City Council Administration